

Frequently Asked Questions

BASIC INFORMATION ON OFAC AND SANCTIONS

1. What is OFAC and what does it do?

The Office of Foreign Assets Control administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals.

09/10/2002

2. How long has OFAC been around?

The Treasury Department has a long history of dealing with sanctions. Dating back prior to the War of 1812, Secretary of the Treasury Gallatin administered sanctions imposed against Great Britain for the harassment of American sailors. During the Civil War, Congress approved a law which prohibited transactions with the Confederacy, called for the forfeiture of goods involved in such transactions, and provided a licensing regime under rules and regulations administered by Treasury.

OFAC is the successor to the Office of Foreign Funds Control (the "FFC"), which was established at the advent of World War II following the German invasion of Norway in 1940. The FFC program was administered by the Secretary of the Treasury throughout the war. The FFC's initial purpose was to prevent Nazi use of the occupied countries' holdings of foreign exchange and securities and to prevent forced repatriation of funds belonging to nationals of those countries. These controls were later extended to protect assets of other invaded countries. After the United States formally entered World War II, the FFC played a leading role in economic warfare against the Axis powers by blocking enemy assets and prohibiting foreign trade and financial transactions.

OFAC itself was formally created in December 1950, following the entry of China into the Korean War, when President Truman declared a national emergency and blocked all Chinese and North Korean assets subject to U.S. jurisdiction.

05/02/2006

3. What does one mean by the term "prohibited transactions"?

Prohibited transactions are trade or financial transactions and other dealings in which U.S. persons may not engage unless authorized by OFAC or expressly exempted by statute. Because each program is based on different foreign policy and national security goals, prohibitions may vary between programs.

06/16/2006

4. Are there exceptions to the prohibitions?

Yes. OFAC regulations often provide general licenses authorizing the performance of certain categories of transactions. OFAC also issues specific licenses on a case-by-case basis under certain limited situations and conditions. Guidance on how to request a specific license is found below and at 31 C.F.R. 501.801.

To apply for a specific license, please go to our [License Application Page](#).

06/16/2006

6. Where can I find the specific details about the embargoes?

A summary description of each particular embargo or sanctions program may be found in the [Sanctions Programs and Country Information](#) area and in the [Guidance and Information for Industry Groups](#) area on OFAC's website.

The text of Legal documents may be found in the [Legal Documents area of OFAC's website](#) which contains the text of 31 C.F.R. Chapter V and appropriate amendments to that Chapter which have appeared in the Federal Register.

05/21/2018

7. Can I get permission from OFAC to transact or trade with an embargoed country?

OFAC usually has the authority by means of a specific license to permit a person or entity to engage in a transaction which otherwise would be prohibited. In some cases, however, legislation may restrict that authority.

To apply for a specific license, please go to our [License Application Page](#).

09/10/2002

8. What must I do to get permission to trade with an embargoed country?

In some situations, authority to engage in certain transactions is provided by means of a general license. In instances where a general license does not exist, a written request for a specific license must be filed with OFAC. The request must conform to the procedures set out in the regulations pertaining to the particular sanctions program. Generally, application guidelines and requirements must be strictly followed, and all necessary information must be included in the application in order for OFAC to consider an application. For an explanation about the difference between a general and a specific license as well as answers to other licensing questions, see the [licensing questions](#) section.

To apply for a specific license, please go to our [License Application Page](#).

09/10/2002

9. What do you mean by "blocking?"

Another word for it is "freezing." It is simply a way of controlling targeted property. Title to the blocked property remains with the target, but the exercise of powers and privileges normally associated with ownership is prohibited without authorization from OFAC. Blocking immediately imposes an across-the-board prohibition against transfers or dealings of any kind with regard to the property.

09/10/2002

10. What countries do I need to worry about in terms of U.S. sanctions?

OFAC administers a number of U.S. economic sanctions and embargoes that target geographic regions and governments. Some programs are comprehensive in nature and block the government and include broad-based trade restrictions, while others target specific individuals and entities. (Please see the "[Sanctions Programs and Country Information](#)" page for information on specific programs.) It is important to note that in non-comprehensive

programs, there may be broad prohibitions on dealings with countries, and also against specific named individuals and entities. The names are incorporated into OFAC's list of Specially Designated Nationals and Blocked Persons ("SDN list") which includes approximately 6,400 names of companies and individuals who are connected with the sanctions targets. In addition, OFAC maintains [other sanctions lists](#) that may have different prohibitions associated with them. A number of the named individuals and entities are known to move from country to country and may end up in locations where they would be least expected. U.S. persons are prohibited from dealing with SDNs wherever they are located and all SDN assets are blocked. Entities that a person on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more) are also blocked, regardless of whether that entity is separately named on the SDN List. Because OFAC's programs are dynamic, it is very important to check OFAC's website on a regular basis to ensure that your sanctions lists are current and you have complete information regarding the latest restrictions affecting countries and parties with which you plan to do business.

05/21/2018

11. Who must comply with OFAC regulations?

U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. In the cases of certain programs, foreign subsidiaries owned or controlled by U.S. companies also must comply. Certain programs also require foreign persons in possession of U.S.-origin goods to comply.

01/15/2015

12. How much are the fines for violating these regulations?

The fines for violations can be substantial. In many cases, civil and criminal penalties can exceed several million dollars. Civil penalties vary by sanctions program, and the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalty Inflation Adjustment Act Improvements Act of 2015, requires OFAC to adjust civil monetary penalty amounts annually. For current penalty amounts, see section V.B.2.a of Appendix A to OFAC's Economic Sanctions Enforcement Guidelines at [31 C.F.R Part 501](#).

03/08/2017

13. How can I report a possible violation of OFAC regulations by my company to OFAC? Will I receive "amnesty" if I report a possible violation to OFAC or if my failure to comply with OFAC regulations was inadvertent?

OFAC encourages anyone who may have violated OFAC-administered regulations to disclose the apparent violation to OFAC voluntarily. Voluntary self-disclosure to OFAC is considered a mitigating factor by OFAC in enforcement actions, and pursuant to OFAC's Enforcement Guidelines, will result in a reduction in the base amount of any proposed civil penalty.

Please submit all voluntary self-disclosures electronically to OFACDisclosures@treasury.gov. Unless the disclosure is an initial disclosure which will be supplemented with additional information, the submission should contain sufficient detail to afford OFAC a complete understanding of an apparent violation's circumstances. Please review the [Office of Compliance and Enforcement \("OCE"\) Data Delivery Standards Guidance: Preferred Practices for Productions to OFAC](#), which details OFAC's preferred technical standards for formatting electronic document productions submitted to OCE.

OFAC does not have an "amnesty" program. OFAC does, however, review the totality of the circumstances surrounding any apparent violation, including whether a matter was voluntarily self-disclosed to OFAC. OFAC will also consider the existence, nature, and adequacy of a subject person's risk-based OFAC compliance program at the time of the apparent violation, where relevant, among other factors. Please see [OFAC's Enforcement Guidelines](#) for additional information regarding voluntary self-disclosures and other mitigating factors, as well as the agency's general framework for the enforcement of economic sanctions programs administered by OFAC.

12/04/2020

14. Can I regard previously issued and published opinion letters, regulatory interpretations, or other statements as guidance for my transactions?

Great care should be taken when placing reliance on such materials to ensure that the transactions in question fully conform to the letter and spirit of the published materials and that the materials have not been superseded.

09/10/2002

15. Can OFAC change its previously stated, non-published interpretation or opinion without first giving public notice?

Yes. OFAC, therefore, strongly encourages parties to exercise due diligence when their business activities may touch on an [OFAC-administered program](#) and to [contact OFAC](#) if they have any questions about their transactions.

09/10/2002

91. I am looking for the terrorist list on your web site so my company can comply with U.S. law. Where can I find this list?

OFAC's regulations are broader than the specific laws dealing with terrorists and persons who support them. All individuals and entities that fall under U.S. jurisdiction should use OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List). This list includes specially designated global terrorists and narcotics traffickers, among other designated persons, and is available on [OFAC's website](#). In addition, OFAC maintains [other sanctions lists](#) that may have different prohibitions associated with each that apply to U.S. persons or transactions otherwise subject to U.S. jurisdiction. It is important to note that some OFAC sanctions block categories of persons even if those persons do not appear on the SDN List. For example, this is the case for any person that meets the definition of the "Government of Venezuela" in Executive Order 13884 of August 5, 2019 ("Blocking Property of the Government of Venezuela"). It is also important to note that OFAC's Cuba sanctions prohibit most transactions with Cuban nationals, wherever located. U.S. persons are expected to exercise due diligence in determining whether any such persons are involved in a proposed transaction.

08/11/2020

126. I tried to ship a package and it was returned to me because of "OFAC sanctions." Why?

There may have been one or more reasons the package was rejected. For example, was it destined for Cuba and lacking a description of the contents? Was it an unlicensed commercial shipment destined for North Korea? Was it a personal gift destined for an individual in Iran with a stated value exceeding \$100? These examples are legitimate reasons for shipping companies to refuse to process such packages, such as packages that do not conform with

shipping company guidelines and rules, as well as OFAC and other U.S. government regulations. Not only could you be liable for attempting to send such packages, but the shipping companies also could be liable for their role in processing these. [See OFAC's country program webpages](#) for more information on the restrictions on shipments to high-risk jurisdictions, for example the Crimea region of Ukraine, Cuba, Iran, North Korea, or Syria.

08/11/2020

127. I tried to ship a package and it was "blocked" by the shipping company "due to OFAC sanctions." Why? And how can I get the package unblocked?

Shipping companies are required to "block" packages in which a Specially Designated National ("SDN") or other blocked person has an interest. When a package is required to be "blocked," the shipper must retain the package rather than reject and return it to the sender. Blocking is not required if a general or specific license from OFAC authorizes the shipper to reject or process the package, or if the transaction is otherwise exempted from the prohibitions based on the type or content of the package. [To request a license for the package's release, apply online](#) or send a letter with a detailed description of the package's contents and an explanation of the parties involved in the transaction, along with a copy of the package's air waybill or Customs Declaration and Dispatch form, to:

U.S. Department of the Treasury
Office of Foreign Assets Control
Licensing Division
1500 Pennsylvania Avenue, NW
Washington, DC 20220

02/07/2011

468. How do I verify an OFAC document? For example, how do I know that an OFAC license or a Specially Designated Nationals (SDN) List removal letter is authentic?

If you have questions about the authenticity of an OFAC document that is not publically posted on the OFAC website, you can contact OFAC and reference the specific case ID or FAC number that is included on the document.

- To verify a specific license, please contact the OFAC Licensing Division at 1-202-622-2480.
- To verify an SDN removal letter, please email ofac.reconsideration@treasury.gov.
- To verify another OFAC document, please contact the OFAC Compliance Division at 1-202-622-2490.

04/21/2016

469. Does OFAC issue certificates of non-inclusion to help prove that a name is not on one of OFAC's sanctions lists?

No, OFAC does not issue non-inclusion certificates.

04/21/2016

906. What do Iran General License (GL) N, Syria GL 21, and Venezuela GL 39 authorize with respect to the fight against the Coronavirus Disease 2019 (COVID-

19)? How do these GLs differ from OFAC’s existing humanitarian exemptions, exceptions, and authorizations?

In order to further aid the global fight against COVID-19, OFAC has issued time-limited general licenses, [Iran GL N](#), [Syria GL 21](#), and [Venezuela GL 39](#) (together, the COVID-19-related GLs), to provide broad authorizations for certain COVID-19-related transactions and activities. The new general licenses expand upon longstanding humanitarian exemptions, exceptions, and authorizations in OFAC sanctions programs, which remain in effect (see OFAC’s April 16, 2020 [Fact Sheet on the Provision of Humanitarian Assistance and Trade to Combat COVID-19](#)) to cover additional COVID 19-related transactions and activities. For example, [Iran GL N](#) expands authorizations under the Iran sanctions program to cover certain items that previously would have required a specific license for exportation or reexportation to Iran, such as certain COVID-19 testing or vaccine manufacturing equipment. Both U.S. persons and non-U.S. persons whose activities are within U.S. jurisdiction — including exporters, nongovernmental organizations, international organizations, and financial institutions — may rely upon the authorizations in these COVID-19-related GLs provided they meet the applicable conditions. All three GLs expire on June 17, 2022.

The COVID-19-related GLs provide authorization that is independent of OFAC’s other humanitarian-related authorizations. Accordingly, conditions and limitations included in other humanitarian-related authorizations do not apply to transactions and activities conducted pursuant to the COVID-19-related GLs, unless explicitly incorporated therein. For example, for sales to Iran of agricultural commodities, food, medicine, and medical devices pursuant to the general license in [31 C.F.R. § 560.530](#), payment terms and financing must be limited to and consistent with those authorized by [31 C.F.R. § 560.532](#). However, because [Iran GL N](#) does not incorporate similar limitations on payment terms, COVID-19-related exports and reexports to Iran authorized by [Iran GL N](#) are not subject to the payment terms in [31 C.F.R. § 560.532](#).

Prior to the expiration of the COVID-19-related GLs, OFAC may issue additional guidance, as appropriate. OFAC’s longstanding humanitarian exemptions, exceptions and authorizations in each of these sanctions programs will not be impacted by the expiration of these GLs. For transactions not otherwise authorized or exempt, OFAC considers license requests on a case-by-case basis and prioritizes applications, compliance questions, and other requests related to humanitarian support for people in areas subject to comprehensive sanctions.

06/17/2021

908. For the purposes of Iran General License (GL) N and Syria GL 21, what are services related to the prevention, diagnosis, or treatment of the Coronavirus Disease 2019 (COVID-19)? What transactions and activities related to the export or, in the case of Iran GL N, import of these services are authorized?

For the purposes of [Iran GL N](#) and [Syria GL 21](#), services related to the prevention, diagnosis, or treatment of COVID-19 include, for example: treatment of patients with suspected or confirmed COVID-19; training necessary for the safe and effective use, repair, or maintenance of goods for use in connection with the prevention, diagnosis, or treatment of COVID-19; water, sanitation, and hygiene promotion materials and supplies, and shelter activities to prevent or treat COVID-19, including Risk Communication and Community Engagement efforts related to COVID-19, and other goods and services, directly related to prevention or treatment of COVID-19; conduct of research into COVID-19; services necessary for the operation, maintenance, or repair of goods for use in connection with the prevention, diagnosis, or treatment of COVID-19; collaboration on the development or enhancement of information related to COVID-19 to the extent not authorized or exempt; development of medical devices or medicines to

counteract COVID-19; conduct of clinical studies in connection with COVID-19; provision of public education in connection with COVID-19; and disposal of medical waste in connection with COVID-19, provided all conditions and limitations of [Iran GL N](#) or [Syria GL 21](#) are satisfied.

Transactions and activities related to the exportation or reexportation of such services include, for example: processing and transfer of funds; payment of taxes, fees, and import duties; purchase or receipt of permits, licenses, or public utility services; making of shipping or cargo inspection arrangements; obtaining of insurance; arrangement of financing and payment; delivery of services; receipt of payment; and entry into contracts (including executory contracts), provided all conditions of [Iran GL N](#) or [Syria GL 21](#) are satisfied.

As noted in [Iran GL N](#) and [Syria GL 21](#), these general licenses do not authorize the unblocking of any property blocked pursuant to any part of 31 CFR chapter V, including property of the Government of Iran or property of the Government of Syria

06/17/2021

910. What are the due diligence expectations of U.S. financial institutions associated with processing fund transfers or trade finance transactions that are authorized by Iran General License (GL) N, Syria GL 21, and Venezuela GL 39?

U.S. financial institutions are authorized to process transfers of funds or engage in trade finance transactions ordinarily incident and necessary to give effect to the transactions and activities authorized by [Iran GL N](#), [Syria GL 21](#), and [Venezuela GL 39](#).

Such financial institutions may rely on the originator of the funds transfer with regard to compliance with [Iran GL N](#), [Syria GL 21](#), and [Venezuela GL 39](#), provided that the financial institution does not know or have reason to know that the funds transfer is not in compliance with such GLs.

06/17/2021

911. Do non-U.S. persons risk exposure to U.S. sanctions for engaging in certain activities to respond to the Coronavirus Disease 2019 (COVID-19) pandemic that U.S. persons would be authorized to engage in under Iran General License (GL) N, Syria GL 21, or Venezuela GL 39?

No. Non-U.S. persons do not risk exposure under U.S. sanctions for engaging in certain activities to respond to the COVID-19 pandemic that would be authorized under [Iran GL N](#), [Syria GL 21](#), or [Venezuela GL 39](#), as appropriate, if engaged in by a U.S. person. This includes non-U.S. exporters, nongovernmental organizations, international organizations, and foreign financial institutions, as well as other non-U.S. persons engaging in certain activities to respond to the COVID-19 pandemic.

For additional information on humanitarian activities by non-U.S. persons in relation to sanctioned jurisdictions, please see FAQs [844](#), [884](#), and [885](#). For information specific to the provision of humanitarian assistance to the Venezuelan people, please see OFAC's August 6, 2019 Fact Sheet: [Guidance Related to the Provision of Humanitarian Assistance and Support to the Venezuelan People](#). For more information on other relevant exemptions, exceptions, and authorizations for humanitarian assistance and trade to combat COVID-19 under OFAC's sanctions program, please see OFAC's April 16, 2020 Fact Sheet: [Provision of Humanitarian Assistance and](#)

06/17/2021
